



Q3 2021 Results

Earnings Call Presentation

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Agenda



Sanjay Brahmawar

CEO

A solid quarter of transformation progress

Second consecutive quarter of Group revenue growth, driven by Digital Business product revenue

Digital Business bookings

Result held back by deals slipped from Q3

Transformation drivers

Fundamentals – product, market, team – remain in place

Revenue growth

Q3 product revenue up 7%; Q3 total revenue up 6%

Digital Business revenue

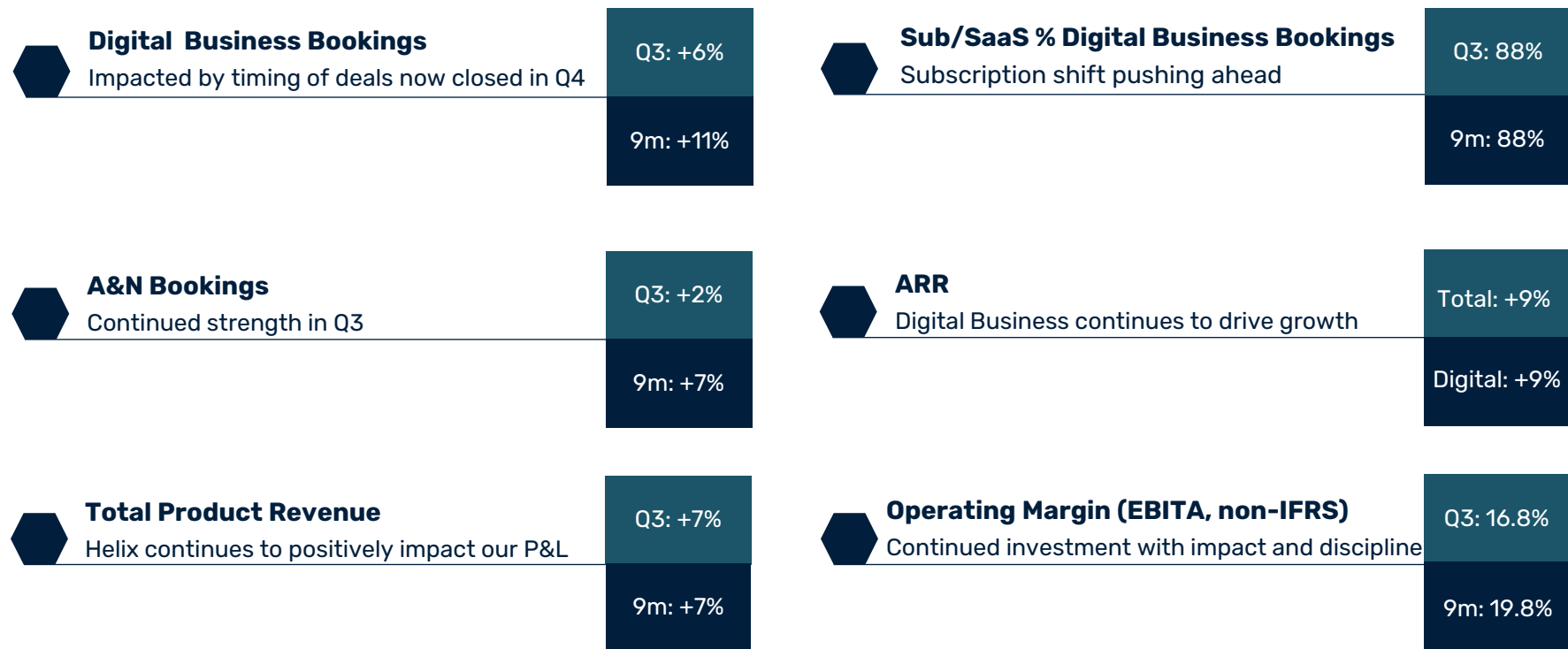
Second quarter of 10% growth shows impact of subscription shift

Overall progress

Proud of team driving us forward to sustainable, profitable growth

Q3 headline numbers

Positive impact of transformation gaining strength in our P&L



Guidance

	FY 2020 (in €m)	Revised FY2021 Outlook (in %)
Digital Business bookings	€360.7m	+13% to +17% ¹
A&N bookings	€129.0m	-8% to -12% ¹
Total Product Revenue	€671.1m	0% to +5% ¹
Operating Margin (EBITA, non-IFRS) ²	21.2%	17% to 19%

¹ at constant currency

² adjusted for non-operating factors (see non-IFRS earnings definition)

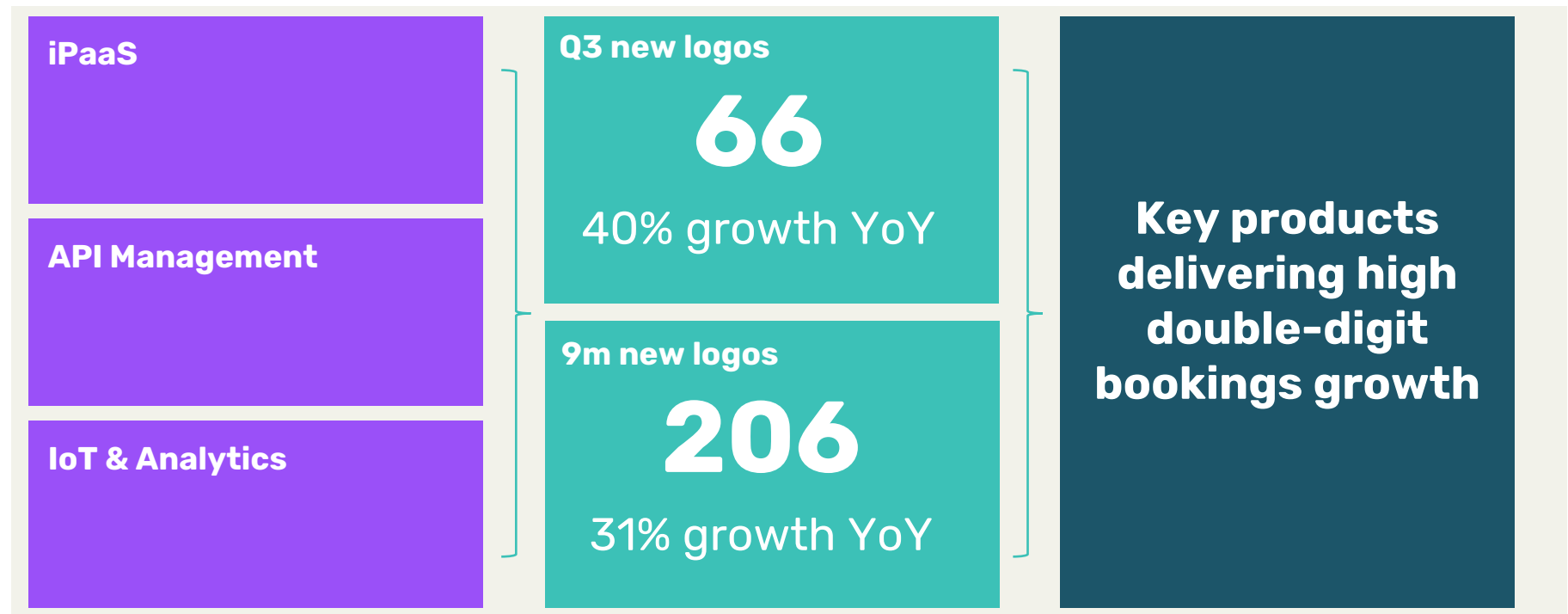
Three growth levers driving our success

GTM effectiveness supporting the land-and-expand journey in our customer base



Key product areas delivering strong growth

Meeting customer needs and actively shaping buying decisions



New innovation delivering returns

Constant stream of innovation driving industry recognition and customer satisfaction

Product innovation

ARIS
by **software** AG

webMethods connector

WEBMETHODS.io
Integration

DataHub

CUMULOCITY IoT

OEE app

Adabas & Natural Transition to cloud

Analyst recognition

**API
Management**

Gartner
Magic Quadrant

iPaaS Wave **FORRESTER**

Product NPS

+56

Customer satisfaction
supports renewals
process

Ensuring a strong, diverse team

Building culture and capability for future success

- Launched third global employee survey with high participation
- Helping our people adjust to the new hybrid working environment
- Launching TechInterrupt global innovation event in Q4
- Bringing the best and brightest new ideas to our attention

Hybrid working



DE&I

Diversity and Inclusion vital to our culture

24 DE&I ambassadors now supporting our people

Bringing the fullest possible range of people & ideas

Building motivation and purpose in our workforce

Scott Little

CRO

CRO View

Sales execution engine still firing



Win Rate

Ahead of prior year quarter



Competitive success

Wins against PTC and Boomi



NAM awareness campaign

90% engagement
Early success, expanding for 2022



Mittelstand focus

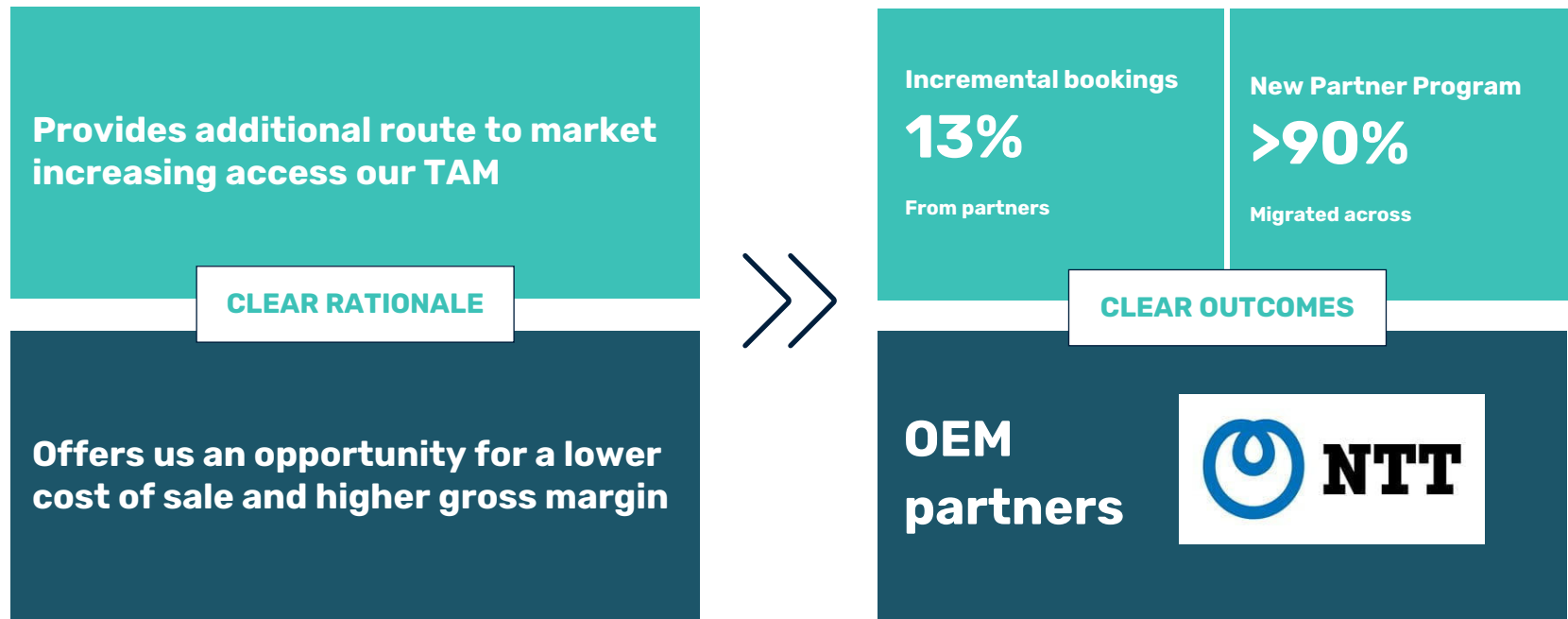
300+ in pipeline
75% net new customers



Sales execution remains solid

CRO View

Continued progress in our partner ecosystem



CRO View

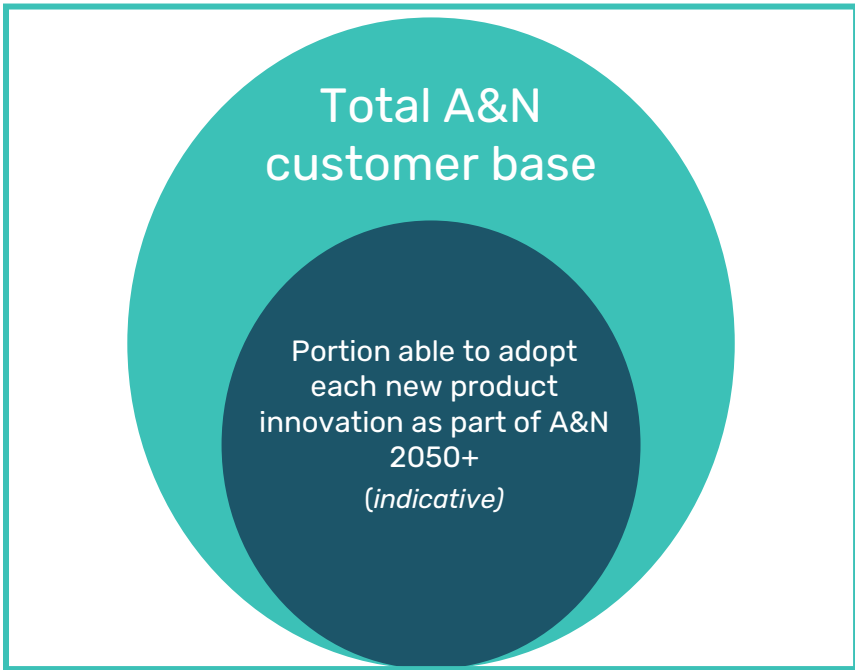
A&N 2050+ program: near-term growth driver with limited long-term potential



Freedom for legacy
Modernised user experience to prolong A&N's relevance

zIIP offloading
Reducing cost and opening up capacity

Cloud migration
Fast innovation, easy scaling & better performance



Dr. Matthias Heiden

CFO

Session outline

Updating on our financial progress



Group bookings performance

Continued bookings growth with subscription strength showing through

<i>(in €m)</i>	Q3 2021	Q3 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	73.8	51.3	44%	44%	215.3	158.2	36%	39%
SaaS	18.8	21.4	-12%	-13%	50.6	48.2	5%	6%
Perpetual	14.6	28.8	-49%	-50%	56.7	95.2	-40%	-39%
Total Bookings	107.2	101.6	6%	5%	322.6	301.5	7%	9%
<i>thereof Renewals</i>	<i>20.9</i>	<i>8.6</i>	<i>142%</i>	<i>147%</i>	<i>55.3</i>	<i>29.3</i>	<i>89%</i>	<i>96%</i>

Digital Business bookings

Held back by timing of Q3 deals

<i>(in €m)</i>	Q3 2021	Q3 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	58.6	43.3	35%	35%	162.5	128.7	26%	28%
SaaS	18.8	21.4	-12%	-13%	50.6	48.1	5%	6%
Perpetual	10.4	17.9	-42%	-42%	28.2	45.4	-38%	-36%
Total Bookings	87.8	82.6	6%	6%	241.2	222.2	9%	11%
<i>thereof Renewals</i>	<i>19.4</i>	<i>8.6</i>	<i>126%</i>	<i>125%</i>	<i>51.5</i>	<i>29.2</i>	<i>77%</i>	<i>80%</i>

A&N bookings performance

Continued strength in A&N bookings development

<i>(in €m)</i>	Q3 2021	Q3 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	15.2	8.0	89%	92%	52.8	29.5	79%	88%
Perpetual	4.2	11.0	-62%	-63%	28.6	49.7	-43%	-41%
Total Bookings	19.4	19.0	2%	2%	81.4	79.2	3%	7%

Digital Business product revenue

A second consecutive quarter of double-digit growth

<i>(in €m)</i>	Q3 2021	Q3 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	43.6	23.8	83%	81%	118.6	70.0	69%	71%
SaaS	11.5	7.9	45%	44%	31.5	22.1	42%	44%
Maintenance from Perpetual Licenses	51.8	61.2	-15%	-16%	158.4	192.9	-18%	-16%
Total Recurring Revenue	106.9	93.0	15%	14%	308.5	285.1	8%	10%
Perpetual Licenses	6.7	10.1	-34%	-34%	17.7	28.1	-37%	-35%
Total Product Revenue	113.6	103.1	10%	10%	326.2	313.2	4%	6%

A&N product revenue

Growth driven by ongoing subscription progress

<i>(in €m)</i>	Q3 2021	Q3 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	14.0	5.6	150%	150%	47.0	18.3	156%	164%
Maintenance from Perpetual Licenses	31.0	33.3	-7%	-8%	95.2	103.4	-8%	-5%
Total Recurring Revenue	45.0	38.9	16%	15%	142.2	121.8	17%	20%
Perpetual Licenses	3.5	8.2	-58%	-59%	21.0	35.0	-40%	-39%
Total Product Revenue	48.5	47.1	3%	2%	163.2	156.8	4%	7%

Group product revenue

Product revenue growth increasing in quality and predictability

<i>(in €m)</i>	Q3 2021	Q3 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	57.6	29.4	95%	94%	165.6	88.4	87%	91%
SaaS	11.5	7.9	45%	44%	31.5	22.2	42%	44%
Maintenance from Perpetual Licenses	82.8	94.5	-12%	-13%	253.5	296.4	-14%	-12%
Total Recurring Revenue	151.9	131.9	15%	14%	450.7	406.9	11%	13%
Perpetual Licenses	10.1	18.3	-45%	-46%	38.7	63.2	-39%	-37%
Total Product Revenue	162.0	150.2	8%	7%	489.4	470.1	4%	7%

Professional Services

Solid progress with underlying growth year-to-date

<i>(in €m)</i>	Q3 2021	Q3 2020	Δ%	Δ% acc	YTD* 2021	YTD 2020	Δ%	Δ% acc
Total Revenue	35.9	35.2	2%	1%	109.9	126.7	-13%	-12%
Cost of sales	-26.9	-26.8	0%	-1%	-80.6	-101.2	-20%	-19%
Gross profit	9.0	8.4	7%	7%	29.3	25.6	14%	17%
Sales & Marketing	-3.6	-3.3	7%	6%	-9.9	-11.8	-16%	-15%
Segment Result	5.5	5.1	7%	7%	19.4	13.8	40%	45%
<i>Margin in %</i>	<i>15.2%</i>	<i>14.5%</i>			<i>17.6%</i>	<i>10.9%</i>		

* YTD 2021 results affected by disposal of the Spanish unit on June 30, 2020

Group revenue

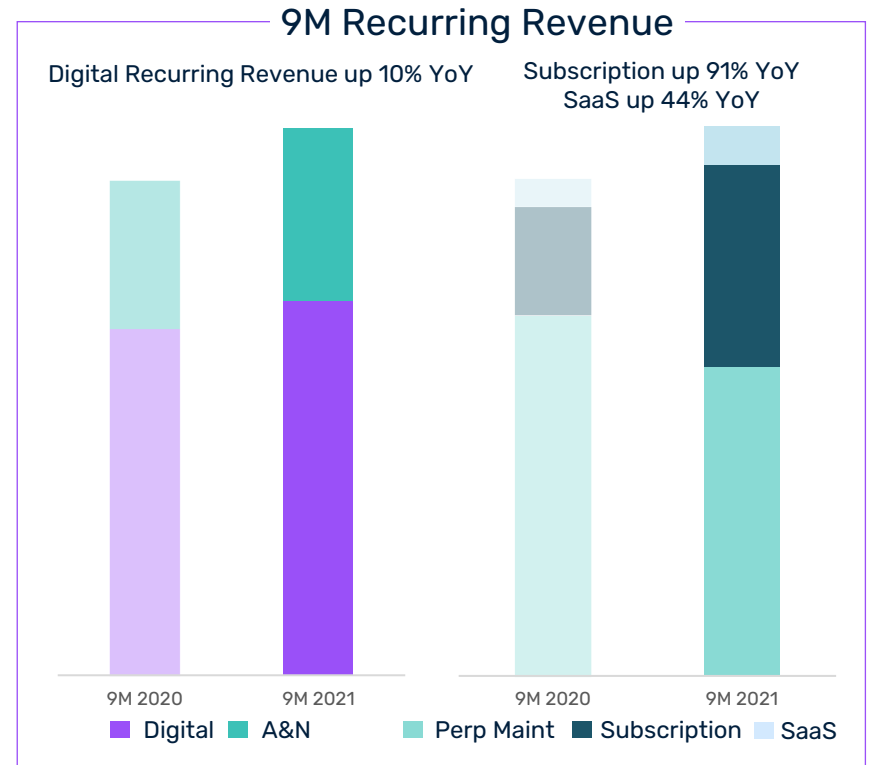
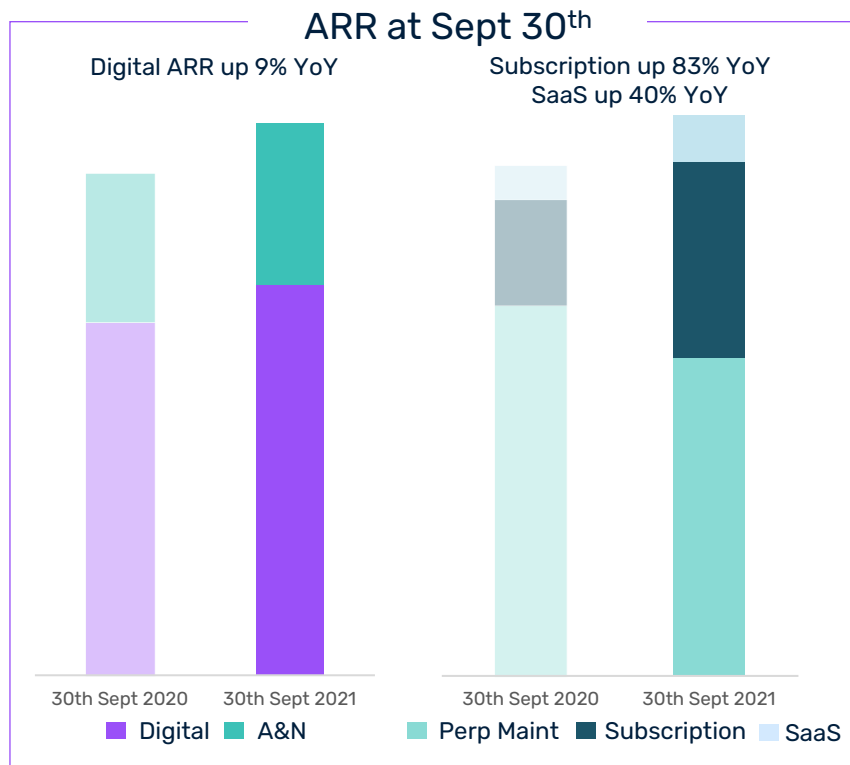
Total revenue growth a second quarter in a row

(in €m)

	Q3 2021	Q3 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Total product revenue	162.0	150.2	8%	7%	489.4	470.1	4%	7%
Services revenue	35.9	35.2	2%	1%	109.9	126.7	-13%	-12%
Total Revenue (group)	198.0	185.4	7%	6%	599.3	597.0	0%	3%

Recurring revenue and ARR*

ARR growth driven by the Digital Business; recurring revenue continues to increase its revenue share



*All at constant currency

Cost base & margin

Strong revenue drives profit growth despite ongoing investment in Helix

<i>(in €m)</i>	Q3 2021	Q3 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Total Revenue (group)	198.0	185.4	7%	6%	599.3	597.0	0%	3%
Cost of sales	-47.0	-43.2	9%	8%	-138.7	-150.0	-7%	-6%
Gross profit	151.0	142.2	6%	5%	460.5	447.0	3%	6%
<i>Margin in %</i>	<i>76.3%</i>	<i>76.7%</i>			<i>76.8%</i>	<i>74.9%</i>		
Research & Development	-37.5	-34.9	7%	7%	-111.5	-108.7	3%	4%
Sales & Marketing	-69.1	-63.9	8%	8%	-196.4	-194.3	1%	3%
Administration	-20.6	-17.9	15%	15%	-60.8	-56.7	7%	9%
Other income / expense	0.8	-0.6			-1.9	-1.7		
EBIT	24.5	24.9	-2%	-4%	89.9	85.6	5%	12%
<i>Margin in %</i>	<i>12.4%</i>	<i>13.4%</i>			<i>15.0%</i>	<i>14.3%</i>		
EBITA (Non-IFRS)	33.3	33.4	-1%		118.6	114.6	3%	
<i>in % of revenue (Non-IFRS)</i>	<i>16.8%</i>	<i>18.0%</i>			<i>19.8%</i>	<i>19.2%</i>		

Cash flow

Benefitted from better cash collection in the quarter

<i>(in €m)</i>	Q3 2021	Q3 2020	Δ%	YTD 2021	YTD 2020	Δ%
Operating Cash Flow	20.4	11.2	82%	90.9	98.9	-8%
./. CapEx* (long-term, non-current)	-1.8	-3.3		-7.3	-11.7	
./. Repayment of lease liabilities**	-3.2	-3.8		-9.9	-11.7	
Free Cash Flow	15.4	4.1	276%	73.7	75.5	-2%
<i>in % of revenue</i>	7.8%	2.2%		12.3%	12.6%	
Free Cash Flow per share***	€0.21	€0.06	276%	€1.00	€1.02	-2%

Summary

Well-positioned for long-term sustainable, profitable growth

1

On track for a solid finish
to the year



2

Digital Business
momentum remains



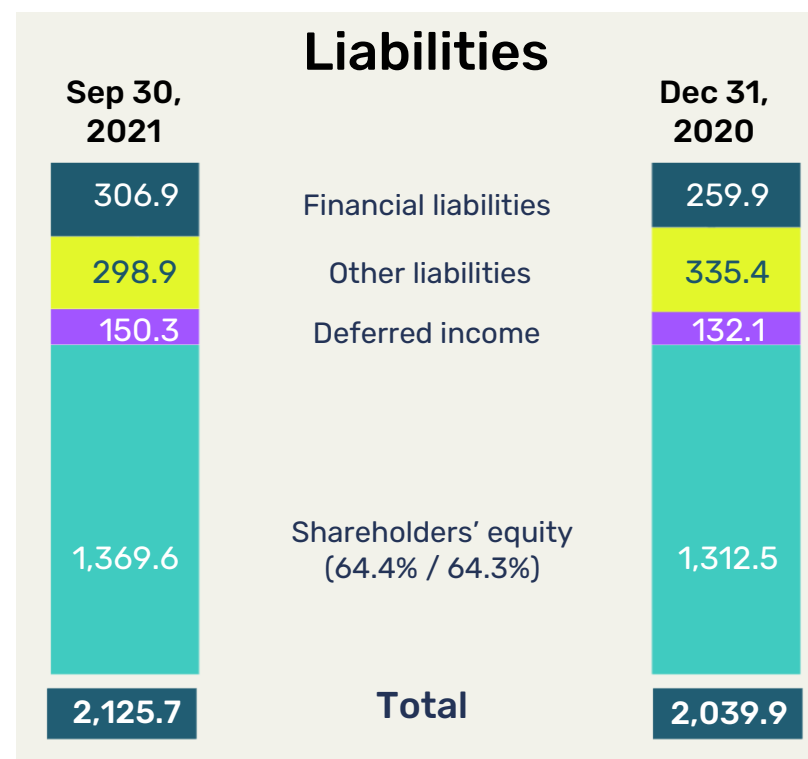
3

Product revenue growth
underpins future confidence

Q&A

Balance Sheet

(in €m)

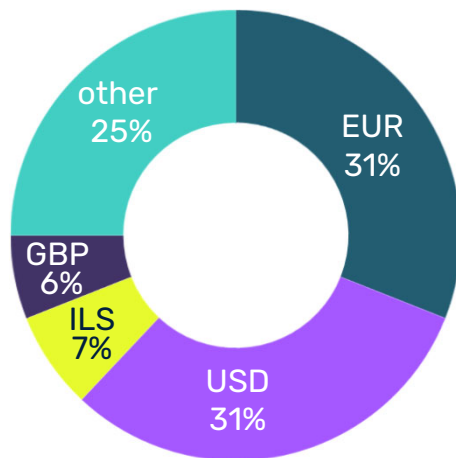


Currency Impact on Revenue

Q3 2021 / 9 months

⇒ 31% revenue in Euro

⇒ 69% revenue in foreign currency



Currency split Q3 2021

Currency impact on revenue

<i>(in €m; yoy)</i>	Q3 2021	in %	YTD 2021	in %
Subscription	0.3	1%	-3.0	-2%
SaaS	0.1	1%	-0.5	-1%
Perpetual	0.7	1%	-8.3	-3%
Professional Services & other	0.4	1%	-1.9	-2%
Total	1.6	1%	-13.7	-2%

Headcount

By functional areas* and geography

<i>(in FTE)</i>	September 30, 2021	December 31, 2020	Δ%	September 30, 2020	Δ% yoy
Total	4,749	4,700	1%	4,642	2%
Professional Services**	1,510	1,490	1%	1,471	3%
Research & Development	1,468	1,494	-2%	1,479	-1%
Sales & Marketing	1,063	1,027	4%	1,025	4%
Administration	708	689	3%	667	6%
Germany	1,355	1,314	3%	1,287	5%
USA	608	629	-3%	626	-3%
India	1,057	1,043	1%	1,022	3%
Rest of World	1,729	1,714	1%	1,706	1%

* According to P&L structure

** incl. Professional Services, Support and Cloud Operations

Amortisation / Depreciation Impact

(Preliminary)

(in €m)

	Q1 2021	Q2 2021	Q3 2021		FY 2020	FY 2021*	FY 2022*	FY 2023*
Amortisation	-3.9	-3.9	-4.0		-14.2	-15.9**	-15.6**	-10.8
Depreciation	-6.0	-6.5	-5.8		-25.7	-24.2	-24.0	-24.0

* Estimated

** incl. €2.2m amortisation for IDS trademark